

## Message Text

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ACTION EUR-08

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LIMDIS

USEEC

VIENNA FOR USMISSION IAEA

E.O. 11652: GDS  
TAGS: ENRG, TECH, EEC  
SUBJECT: EURATOM-IAEA SAFEGUARDS NEGOTIATIONS

REF: BRUSSELS 9197

1. AMBASSADOR HAS BEEN GIVEN IN STRICTEST CONFIDENCE THE INFORMAL PAPER CIRCULATED BY THE EUROPEAN COMMISSION TO EC MEMBER STATES CONCERNING POSSIBLE SETTLEMENT OF IAEA-EURATOM SAFEGUARDS PROBLEMS. OUR SOURCES EMPHASIZE THAT THEIR EFFORTS TO SOLVE THIS PROBLEM COULD BE GRAVELY COMPROMISED IF THE MEMBER STATES WERE DIRECTLY OR INDIRECTLY TO BECOME AWARE OF OUR POSSESSION OF THE PAPER. IT SHOULD THEREFORE BE HANDLED ON A STRICT NOFORN BASIS.

2. BEGIN QUOTE: EURATOM SAFEGUARDS AND THE IAEA  
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1) THE VERIFICATION AGREEMENT WITH THE INTERNATIONAL ATOMIC ENERGY AGENCY, WHICH WAS SIGNED IN 1973 AND WHICH FINALLY ENTERED INTO FORCE ON 22 FEBRUARY 1977, PROVIDES FOR APPLICATION OF THE IAEA SAFEGUARDS (INSPECTION) SYSTEM IN SEVEN MEMBER STATES OF THE COMMUNITY. A PARALLEL AGREEMENT HAS BEEN CONCLUDED WITH THE UK, AND A SIMILAR

AGREEMENT IS UNDER DISCUSSION WITH FRANCE.

2) SINCE FEBRUARY, DISCUSSIONS BETWEEN THE EURATOM AND THE IAEA INSPECTORATES ABOUT DETAILED IMPLEMENTATION OF THE AGREEMENT HAVE RUN INTO DIFFICULTY BECAUSE OF A DIFFERENCE OF VIEW ABOUT THE ROLES OF THE TWO ORGANIZATIONS. THE EURATOM INSPECTORS TOOK THEIR STAND ON THE TERMS OF THE AGREEMENT, WHICH RECOGNIZES THE EFFECTIVENESS AND MULTINATIONAL CHARACTER OF THE EURATOM INSPECTORATE, AND GIVES TO THE IAEA A SMALLER - THOUGH INDEPENDENT - ROLE. THE IAEA ARGUED THAT, IN THE FOUR YEARS SINCE THE SIGNING OF THE AGREEMENT, BOTH THE POLITICS OF THE SITUATION AND THE TECHNIQUES OF INSPECTION HAD DEVELOPED. THEY MAINTAINED THAT THEY DID NOT WISH TO DEPART FROM THE AGREEMENT, BUT ARGUED THAT IT WAS NO LONGER POSSIBLE TO ABIDE BY THE ORIGINAL IDEA THAT THE EURATOM INSPECTORATE SHOULD DO MOST OF THE EFFECTIVE WORK, WITH A RATIO OF EURATOM TO IAEA INSPECTION OF AROUND 4:1. INSTEAD, THEY WANTED TO DUPLICATE EURATOM ACTIVITIES OVER MUCH OF THE FIELD. THERE WERE PROVISIONS FOR REVIEW IN THE AGREEMENT, AND SOME AMBIGUITIES, SO THAT IT WAS NOT POSSIBLE TO DISMISS THE IAEA CLAIM OUT OF HAND.

3) AT THEIR MEETING ON 21 JUNE, THE COUNCIL INVITED THE COMMISSION TO EXPLORE WAYS OUT OF THE DIFFICULTY. THE JWB ANHWSPIDERATIONS WERE THESE: -  
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(A) UNREASONABLE DUPLICATION OF INSPECTION WOULD BE CONTRARY TO THE AGREEMENT AND WOULD CAUSE INCONVENIENCE AND EXPENSE TO OPERATORS OF NUCLEAR PLANTS IN THE COMMUNITY. IT WOULD TEND TO UNDERMINE THE POSITION OF THE EURATOM INSPECTORS WHO HAD BUILT UP OVER THE YEARS A MULTINATIONAL SAFEGUARDS SYSTEM WHICH WAS AN IMPORTANT PART OF THE EURATOM TREATY MACHINERY.

(B) ON THE OTHER HAND, THE COMMUNITY HAD A CONTINUING INTEREST, IN THE CONTEXT OF NON-PROLIFERATION, IN THE EFFECTIVENESS OF THE IAEA SYSTEM WORLD-WIDE; THIS IMPLIED THAT WE SHOULD DO NOTHING WHICH MIGHT SEEM TO IMPEDE LEGITIMATE IAEA OPERATIONS IN THE COMMUNITY.

4) DISCUSSIONS AT TOP WORKING LEVEL HAVE PROGRESSED TO THE POINT WHERE A POLITICAL DECISION IS NOW REQUIRED. THE PROPOSALS WHICH HAVE EMERGED - EXPLICITLY WITHOUT PREJUDICE TO THE FORMAL POSITION OF EITHER SIDE - ARE AS FOLLOWS: -

(A) FOR THE MORE SENSITIVE INSTALLATIONS, SUCH AS RE-

PROCESSING AND ENRICHMENT PLANTS, THE COMMUNITY WOULD RECOGNIZE THE POLITICAL CASE FOR FULLER IAEA INSPECTION. BOTH SIDES WOULD HOWEVER SEEK TO ECONOMIZE IN INSPECTION EFFORT, AND REDUCE INCONVENIENCE FOR THE OPERATORS, BY FORMING JOINT TEAMS (NORMALLY OF 2 OR 3 INSPECTORS) WHO WOULD WORK CLOSELY TOGETHER IN EACH PLANT AND WOULD COLLECT DATA IN COMMON, BUT WOULD MAKE INDEPENDENT REPORTS. THE PROPOSED MANNER OF OPERATION AND SCALE OF INSPECTION EFFORT BY SUCH A JOINT TEAM FOR A TYPICAL REPROCESSING PLANT ARE DESCRIBED AT ANNEX A.

(B) FOR REACTORS, THE PRESENT RELATIONSHIP BETWEEN THE TWO INSPECTORATES WOULD REMAIN UNCHANGED BUT THE PROPORTION OF THE IAEA INSPECTION WOULD BE INCREASED TO A CONFIDENTIAL

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RATIO OF APPROXIMATELY 2 BY EURATOM: 1 BY IAEA, AS COMPARED WITH THE 4:1 ORIGINALLY ENVISAGED. THE MAIN CHANGE WOULD BE THAT THE FULL IAEA CHECK OF THE NUCLEAR MATERIALS INVENTORY WOULD BE ANNUAL (INSTEAD OF 2-YEARLY), AT THE SAME TIME AS THE PRESENT ANNUAL CHECK BY EURATOM. HOWEVER,

IF AND WHEN IT BECOMES POSSIBLE TO PUT SEALS ON REACTOR FUEL ELEMENTS, SO THAT EACH ELEMENT CAN BE READILY TRACED THROUGH THE VARIOUS STAGES OF REACTOR CORE AND STORAGE, THE IAEA WOULD BE PREPARED TO REVERT TO THE 4:1 RATIO. A BRIEF OUTLINE OF THE MAIN PROPOSAL FOR A LIGHT WATER REACTOR IS AT ANNEX B. SIMILAR ARRANGEMENTS WOULD BE WORKED OUT FOR OTHER INSTALLATIONS SUCH AS FUEL FABRICATION PLANTS, RESEARCH REACTORS, ETC.

5) THESE PROPOSALS CAN BE REGARDED AS WITHIN THE TERMS OF THE VERIFICATION AGREEMENT, BUT STRETCH THE INTERPRETATION IN FAVOUR OF THE IAEA. THEY THUS REPRESENT, IN OUR VIEW, CONCESSIONS ON THE PART OF EURATOM AS TO THE MODE OF OPERATION. THEY WOULD BE INTRODUCED ON A PROVISIONAL BASIS FOR A PERIOD OF 2/3 YEARS, AND WOULD THEN

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BE OPEN TO REVISION IN THE LIGHT OF EXPERIENCE GAINED. CONTINUED VIGILANCE WOULD BE NECESSARY TO ENSURE THAT THE EURATOM POSITION WAS NOT ERODED. HOWEVER, GIVEN GOOD WILL ON BOTH SIDES, THE COLLABORATIVE ARRANGEMENTS COULD WORK EFFECTIVELY, NEED NOT PROVE BURDENSOME TO OPERATORS, AND WOULD AVOID A DIFFICULT CLASH WITH THE IAEA (WHOSE NEXT GOVERNING BOARD MEETING IS ON 24 SEPTEMBER).

6) THE RISK IS THAT THERE WOULD BE CONTINUED FRICTION, AND A TENDENCY BY THE IAEA TO THRUST EURATOM INSPECTORS INTO THE BACKGROUND. THIS WOULD, HOWEVER, NOT BE IN THE INTEREST OF THE IAEA ITSELF, SINCE THEY MUST IN PRACTICE CONTINUE TO PLACE SOME RELIANCE ON EURATOM FOR EARLY DETECTION OF ANY ILLEGAL DIVERSION OF MATERIAL.

7) ALL IN ALL, THE PROPOSALS APPEAR TO BE A WORKABLE COMPROMISE WHICH WOULD AVOID A POLITICALLY DIFFICULT SITUATION AND WHICH COULD BE ACCEPTED ON A PROVISIONAL BASIS, PROVIDED WE EMPHASIZE AT THE SAME TIME THAT WE ARE NOT PREPARED TO CHANGE, OR TO STRETCH OUR INTERPRETATION OF THE VERIFICATION AGREEMENT, ANY FURTHER.

8) THE COMMUNITY SHOULD, IF POSSIBLE SIGNIFY ITS ACCEPTANCE IN PRINCIPLE BEFORE THE MEETING OF THE IAEA GOVERNMENT BOARD ON 24 SEPTEMBER. WE SHALL IN ANY CASE NEED TO ARRANGE A FURTHER EXTENSION OF THE NEGOTIATING PERIOD. THE PRESENT EXTENSION EXPIRES ON 22 AUGUST, AND THERE WILL BE LITTLE DIFFICULTY ABOUT EXTENDING FOR A FURTHER THREE MONTHS. THERE IS A MASS OF DETAILED WORK INVOLVED, SINCE INSPECTION PROCEDURES ("FACILITY ATTACHMENTS") HAVE TO BE AGREED FOR EACH NUCLEAR PLANT. IT SHOULD, HOWEVER, BE POSSIBLE TO COMPLETE THE WORK BEFORE THE FEBRUARY MEETING OF IAEA.

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ANNEX A - JOINT IAEA/EURATOM INSPECTION TEAM FOR A  
REPROCESSING PLANT

- 1) THE PURPOSE OF HAVING JOINT TEAMS OF INSPECTORS IS TO  
ENABLE BOTH ORGANISATIONS TO ACHIEVE THE SAFEGUARDS OB-  
JECTIVES SIMULTANEOUSLY WITH MINIMUM INTRUSION INTO FACILI-  
TY OPERATIONS AND WITH THE AVOIDANCE TO THE FULLEST EXTENT  
POSSIBLE OF UNNECESSARY DUPLICATION.
- 2) EXAMINATION OF BASIC DATA (RECORDS, COUNTING OF ITEMS,  
NON-DESTRUCTIVE TESTING AND MEASUREMENTS) WILL BE JOINT  
ACTIVITIES - I.E., INSPECTORS WILL BE PRESENT FROM BOTH  
IAEA AND EURATOM. SAMPLING PLANS WILL BE PREPARED JOINTLY,  
BUT SEPARATE SAMPLES WILL BE TAKEN FOR EACH ORGANISATION.  
SEPARATE SEALS WILL BE USED, UNTIL A MUTUALLY ACCEPTABLE  
JOINT SEAL CAN BE EVOLVED.
- 3) NO HIERARCHICAL STRUCTURE IS FORESEEN FOR THE JOINT  
TEAM, BUT FOR FORMAL CONTACTS WITH THE OPERATOR EURATOM  
WILL PROVIDE THE SPOKESMAN AND IAEA CAN ACCOMPANY HIM IF  
NECESSARY.
- 4) IN THE EVENT OF DISAGREEMENTS WHICH CANNOT BE RESOLVED  
LOCALLY, EACH ORGANISATION SHOULD REFER THE MATTER TO ITS  
OWN HEADQUARTERS.
- 5) DATA OBTAINED IN THE COURSE OF PERFORMING INSPECTION

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ACTIVITIES WILL BE MUTUALLY REVIEWED FOR COMPLETENESS AND CORRECTNESS AS SOON AS POSSIBLE BY THE COMMUNITY AND AGENCY INSPECTORS, AND COPIES OF DATA WILL BE EXCHANGED IF REQUESTED BY EITHER PARTY. CONCLUSIONS WILL BE REACHED INDEPENDENTLY, BUT MEMBERS OF THE JOINT TEAM WILL CONSULT EACH OTHER ABOUT THOSE CONCLUSIONS.

6) BROADLY, WHAT IS PROPOSED AMOUNTS TO A JOINT TEAM OF 2/3 INSPECTORS AT THE PLANT WHENEVER IT IS IN OPERATION. ASSUMING 200 FULL WORKING DAYS FOR THE PLANT, THE JOINT TEAM WILL WORK 875 MAN-DAYS, OF WHICH 405 IAEA AND 470 EURATOM. IAEA'S ESTIMATE OF THE NUMBER OF MAN-DAYS WHICH THEY WOULD NEED AT A SIMILAR PLANT IN A THIRD-COUNTRY (WHERE THEY WOULD BE WORKING ALONE) IS 610 MAN-DAYS. IAEA INSPECTION IS THUS SIGNIFICANTLY REDUCED BY THE PRESENCE OF EURATOM INSPECTORS IN THE TEAM; THE 875 MAN DAYS WILL IN FACT BE LESS BURDENSOME FOR THE OPERATOR THAN THE 610 MAN-DAYS FOR IAEA ALONE, SINCE FOR THE MAJORITY OF THE WORK 2 INSPECTORS WILL BE PRESENT AT THE SAME TIME. FINALLY, THE EFFORT BY THE EURATOM INSPECTORATE (470 MAN-DAYS) IS SLIGHTLY LARGER THAN THAT BY IAEA (405 MAN-DAYS). THESE FIGURES ARE REGARDED AS MAXIMA, AND IT SHOULD BE CONFIDENTIAL

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POSSIBLE TO REDUCE THEM AS EXPERIENCE IS GAINED IN JOINT WORKING.

ANNEX B - INSPECTION OF LIGHT WATER REACTORS

1) INSPECTORS ARE NOT CONTINUOUSLY AT THE PLANT, BUT GO FOR SPECIFIC INSPECTIONS AND FOR RANDOM CHECKS.

2) THE THREE MOST IMPORTANT ACTIVITIES ARE:

(A) DETAILED CHECKING OF THE NUCLEAR MATERIALS INVENTORY ONCE PER YEAR AT THE TIME WHEN THE REACTOR CORE IS OPENED FOR RE-CHARGING. THIS WILL TAKE 2 - 3 DAYS, WITH TWO INSPECTORS FROM EACH SIDE. (ORIGINALLY, IT WAS PROPOSED THAT EURATOM SHOULD CHECK ONCE PER YEAR AND IAEA ONLY ONCE EVERY TWO YEARS. IAEA CONTENT THAT, IN THE PRESENT NON-PROLIFERATION CLIMATE AND SINCE IT IS NOT YET POSSIBLE TO SEAL FUEL ELEMENTS, A TWO YEARLY INSPECTION TIME IS NOT POLITICALLY TENABLE, EVEN ALLOWING FOR THE ANNUAL EURATOM CHECK).

(B) AT LEAST ONE ROUTINE INSPECTION FOR VERIFYING MATERIALS IN STORE AND FOR AUDITING OF RECORDS - ONE INSPECTOR FROM EACH SIDE.

(C) READINGS OF SEALED CAMERAS WHICH ARE PERMANENTLY SITED TO TAKE PICTURES AT INTERVALS AND THUS DISCLOSE UN-AUTHORISED REMOVAL OF MATERIAL. IAEA EARLIER PROPOSED THAT THEY SHOULD CHECK TWICE PER YEAR. THEY HAVE NOW AGREED TO EXAMINE THE FEASIBILITY (DEPENDING FOR EXAMPLE ON CAMERA CAPACITY AND REHABILITY) OF CHECKING ONLY ONCE PER YEAR, AND FOR THE REST TO RELY ON EURATOM CHECKS, WHICH WOULD BE CARRIED OUT AT 3 OR 4 MONTHLY INTERVALS. CONFIDENTIAL

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3) EURATOM WILL HAVE CERTAIN ADDITIONAL TASKS, SUCH AS CHECKING SURVEILLANCE EQUIPMENT, AND WILL CARRY OUT CERTAIN ADDITIONAL CONTROLS.

4) THE PRECISE RATIO OF INSPECTION TIME DEPENDS ON TECHNICAL STUDIES YET TO BE COMPLETED. CALCULATIONS EARLIER THIS YEAR FORESAW AN INSPECTION EFFORT OF 14 - 16 MAN DAYS FOR EURATOM AND 7 - 9 FOR IAEA. IT MAY BE POSSIBLE (E.G., . BY THE PROPOSAL AT 2(C) ABOVE) TO REDUCE THIS TO 10 - 11 MAN DAYS FOR EURATOM AND 5 - 7 FOR IAEA. THE 2:1 RATIO SHOULD BE BROADLY PRESERVED AND COULD REVERT TO 4:1 IF IT PROVES PRACTICAL TO PUT SEALS ON FUEL ELEMENTS (IT MAY TAKE SEVERAL YEARS TO DECIDE THIS).

5) IAEA SAY THAT THEIR NORMAL LEVEL OF INSPECTION EFFORT IN A THIRD COUNTRY WOULD BE 14 - 16 MAN DAYS. END QUOTE. HINTON

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## Message Attributes

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